

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF WESTERN)	CASE NO. 8839-K
KENTUCKY GAS COMPANY)	

O R D E R

On December 1, 1983, the Commission issued its Order in Case No. 8839 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On January 8, 1985, Western Kentucky Gas Company ("Western") notified the Commission that it had received notice of revised rates from its supplier, Texas Gas Transmission Corporation ("Texas Gas"), and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Western's notice of January 8, 1985, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in gas cost from its suppliers in the amount of \$1,471,346 or 3.63 cents per Mcf.

(2) Texas Gas filed an application with the Federal Energy Regulatory Commission for revised rates to be effective February 1, 1985.

(3) Western's wholesale cost of gas from local producers which tracks Texas Gas' rate will be decreased effective February 1, 1985.

(4) As Western states in its application, the Texas Gas Zone 3 commodity rate is a maximum price for local production. Western should use all its resources to purchase gas at rates below the maximum. Thus, future semi-annual adjustments may be necessary.

(5) Western's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8839, dated December 1, 1983, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1985.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 1, 1985.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of January, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Womack
Chairman

Paul W. Dyer, Jr.
Vice Chairman

Lawrence H. Smith
Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8839-K DATED JANUARY 24, 1985

The following rates and charges are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES:

Applicable to: All Gas Rates Schedules

Purchased Gas Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: (\$0.0482) per Mcf of gas used during the billing period.

The base rates for the future application of the purchased gas adjustment clause of Western Kentucky Gas Company shall be:

Texas Gas Transmission Corp.	<u>Demand</u>	<u>Commodity</u>	<u>Gas Rate</u>
G-2	\$5.06	\$3.2070	-0-
G-3	5.85	3.2528	-0-
G-4	6.38	3.2878	-0-
Tennessee Gas Pipeline Co.			
GS-2	-0-	.6656/Mcf	3.1775/Mcf
Local Producers	-0-	-0-	3.2528/Mcf